

## Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 13394 260729Z

ACTION EB-08

INFO OCT-01 EA-10 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 DHA-05 L-03  
SS-15 NSC-05 TRSE-00 PA-01 PRS-01 USIA-06 /064 W  
-----065798 260756Z /17

R 260648Z AUG 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4261

LIMITED OFFICIAL USE MANILA 13394

E.O. 11652: NA

TAGS: SHUM, EAIR, RP

SUBJECT: CIVAIR; STIFFER TRAVEL TAX FOLLOWS LIFTING OF TRAVEL  
BAN

REF: MANILA 133331

1. PRESIDENT IMPOSES STIFFER TRAVEL TAX ON FILIPINOS AND  
OTHER PHILIPPINE RESIDENTS WAS LEAD STORY IN ALL MANILA  
DAILIES ON AUGUST 26. STORY WAS BASED ON PRESIDENTIAL  
DECREE NO. 1183 SIGNED ON AUGUST 21 (DAY BEFORE PRESIDENT'S  
WORLD LAW CONFERENCE SPEECH) AND EFFECTIVE IMMEDIATELY.  
IT WAS NOT ANNOUNCED UNTIL AUGUST 25.

2. UNDER PD 1183 THE TRAVEL TAX SHALL NOT EXCEED 15 PERCENT  
OF THE FARE BUT IN NO CASE SHALL THE TAX BE LESS THAN  
2,000 PESOS FOR FIRST CLASS PASSAGE; 1,250 PESOS FOR ECONOMY  
CLASS; AND 750 PESOS FOR ALL OTHERS. THERE ARE ELEVEN  
EXEMPTIONS, THE MOST IMPORTANT OF WHICH ARE GOP EMPLOYEES  
ON OFFICIAL BUSINESS, CONSULAR AND DIPLOMATIC PERSONNEL,  
PERSONNEL OF MULTINATIONAL COMPANIES WITH REGIONAL OFFICES  
IN THE PHILIPPINES, STUDENTS AND INFANTS. PERSONNEL OF  
ALL PRIVATE COMAPNIES ON OFFICIAL BUSINESS PAY UP TO  
4,000 PESOS IN TRAVEL TAX IN A CALENDAR YEAR, AFTER WHICH  
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NO PAYMENT IS REQUIRED FOR FURTHER TRAVEL.

3. WITH THE ABOVE GUIDELINES FROM PD 1183 THE SECRETARY OF  
FINANCE HAS BEEN INSTRUCTED BY THE PRESIDENT TO PREPARE  
"A SCHEDULE OF TRAVEL TAX" WITHIN 60 DAYS FOR APPROVAL BY  
THE PRESIDENT. WHETHER AND HOW MUCH OF THE TAX WOULD BE  
COLLECTED IN THE INTERIM REMAINS UNCLEAR. WE WILL POUCH COPY

OF DECREE WHEN AVAILABLE (IN A WEEK'S TIME UNDER NORMAL CIRCUMSTANCES).

4. COMMENT: WHAT WAS GIVEN WITH THE RIGHT HAND HAS NOW BEEN PARTLY WITHDRAWN BY THE LEFT HAND. THE MINIMUM TAX OF 1,250 PESOS OR \$171.20 FOR ECONOMY CLASS CAN BE COMPARED WITH THE \$202 COST OF A MANILA-HONG KONG ROUNDTRIP TICKET. FOR THE RICH FILIPINO TOURIST (WHO ALREADY HAS A PASSPORT), THE NEW TRAVEL TAX IS A NUISANCE; FOR THE EMIGRANT, A BURDEN; AND FOR BUSINESS, A HINDRANCE AND ADDITIONAL EXPENSE. IT WILL DISCOURAGE TRAVEL BY NON-REVENUE TICKET HOLDERS AND SECONDARY TRAVEL (WIVES ACCOMPANYING MIDDLE-LEVEL OR EVEN SENIOR-LEVEL COMPANY OFFICIALS ON OFFICIAL TRAVEL ABROAD). MULTINATIONALS WILL THINK TWICE BEFORE SENDING A FILIPINO TECHNICIAN TO A SISTER COMPANY ABROAD ON A SINGLE TEMPORARY ASSIGNMENT. PFIZER'S ANNUAL REGIONAL PLAN REVIEW IN HONG KONG NEXT MONTH IS GOING TO COST THE LOCAL AFFILIATE AN ADDITIONAL \$1,000.  
STULL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
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**Concepts:** TRAVEL CONTROLS, TAXES  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977MANILA13394  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
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**Reference:** 77 MANILA 133331  
**Retention:** 0  
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**Subject:** CIVAIR; STIFFER TRAVEL TAX FOLLOWS LIFTING OF TRAVEL BAN  
**TAGS:** SHUM, EAIR, OTRA, RP  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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